

(c) The funds for the exploration of oil and gas in the blocks allotted to ONGC in NELP-VI, shall be arranged from internal resources of ONGC.

(d) Under NELP bidding, blocks are awarded to successful bidders through international competitive bidding. The Bid Evaluation Criteria (BEC) takes into account the technical and financial capability of the bidders. As per the provisions of PSC, ONGC has to furnish Bank Guarantee of 35% of the estimated cost of Work Programme committed by it in its respective bid(s). The PSC further provides for Management Committee (MC) comprising the representatives from the Company and Government of India. One of the functions of the MC is to monitor the progress of Minimum Work Programme (MWP) committed by company at the time of bidding. In case, MWP is not completed by ONGC, the amount towards unfinished work programme is received by the Government as liquidated damages, as per the provisions of PSC. The above provisions allow Government to monitor the performance of the ONGC and also act as deterrent for the ONGC and other awardee winners to adhere to the exploration programme undertaken by them at the time of bidding.

#### **Setting up of new refineries**

838. SHRI S.M. LALJAN BASHA: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether Government have any proposal to establish new refineries in the next five years;

(b) if so, the PSU selected for building new refineries;

(c) whether it is more cost-beneficial to buy refined petroleum instead of setting up huge refineries that lead to displacement of massive populations and environmental pollution;

(d) whether Government have studied the negative spin-offs resulting from the setting up of new oil refineries on our shores; and

(e) if not, whether a study will be undertaken on the cost-benefit of building refineries and importing crude for them?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DINSHA J. PATEL): (a) and (b) The refinery sector was delicensed in June, 1998. Since then a refinery can be set up anywhere

in India by private or public sector enterprises depending on the promoters' assessment of its viability. It is not the Central Government but public and private sector enterprises who consider proposals for setting up refineries. The following Public Sector Undertakings (PSUs) have proposed to set up new refineries:—

| Company                                        | Refinery              |
|------------------------------------------------|-----------------------|
| Indian Oil Corporation Limited (IOCL)          | Paradip (Orissa)      |
| Hindustan Petroleum Corporation Limited (HPCL) | Bhathinda (Punjab)    |
| Bharat Petroleum Corporation Limited (BPCL)    | Bina (Madhya Pradesh) |

(c) to (e) The cost-benefit analysis, selection of location etc. for setting up new refineries are done by the concerned company, keeping in view various factors such as availability of crude oil, domestic demand, export potential of petroleum products and other commercial considerations.

Setting up of new refineries is subject to payment of compensation to all land owners in accordance with statutory provisions and also subject to all statutory clearances for the conservation of environment.

Before according project approval, the investing companies are undertaking all relevant studies including preparation of detailed project reports.

### **Shortage of supply of LPG**

†839. SHRIMATI SUSHMA SWARAJ: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

- (a) whether it is a fact that acute shortage of supply of LPG is being felt;
- (b) whether it is also a fact that during the regime of the NDA Government, the supply LPG was in abundance; and
- (c) if so, the reasons for the sudden shortfall in supply of the same?

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†Original notice of the question was received in Hindi.